GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Finance Department – Treasury Financial Rules – Earnest Money Deposit (EMD) & Further Security Deposit (FSD) – Relaxation of certain contractual obligations in view of COVID-19 pandemic– Further Orders – Issued.

Finance (HR-V-TFR-A&L-EWF) Department

G.O. Rt. No.266 **Dated:15 -02-2021**

Read the following:

1.G.O.No.2451,Finance(HR-V-TFR-A&L-EWF) Department, dated 7-10- 2020.
2. Govt of India Memorandum No.F.9/4/2020-PPD, dated 12-11-2020.
3. Govt. Memo No. ICDO1-COOR/18/2020- Reforms, dated: 06- 01-2021.
4.W.R.D.File No ICD01-COOR/18/2020-MLO-III/(Comp.No 1305246)

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O R D E R:

In the G.O 1st read above, the Government in Finance (HR-V-TFR-A&L-EWF) Department have ordered for the adoption of certain measures in the works agreements towards securities for performance & defect liabilities by the Government of Andhra Pradesh, with the intention to provide immediate relief to the agencies/contractors engaged in the execution of works, duly keeping in view the reliefs granted by the Government of India & certain other State Governments, in view of outbreak of COVID-19 pandemic, specifically with regard to the stipulations relating to Extension of Time(EoT) & Further Security Deposit (FSD).

2. In the Memorandum 2nd read above, the Government of India, on account of the slowdown of the economy due to COVID-19 pandemic, have issued certain further guidelines regarding reducing of Performance Security, subject to certain conditions specified therein.

3. After the receipt of the aforesaid guidelines, the matter regarding the extension of similar relief by the State Government, with reference to stipulations relating to EMD & FSD, in view of outbreak of Covid-19 pandemic, has been referred by the Finance Department to the Board of Chief Engineers (BoCEs) through the W.R. Department, for examination & for furnishing specific recommendations in the matter. In the reference 4th read above, the W.R. Department has communicated the recommendations of the BoCEs, as resolved in their meeting held on 07-01-2021.

4. Government, after careful examination of the matter, & in continuation to the orders issued in the G.O. 1st read above, hereby order the adoption of the following further measures for providing relief to the agencies/contractors engaged in the execution of works in the State.

a) The EMD @ 1% of ECV shall be collected, as per the existing procedure, from all the participating bidders for fresh tenders.

b) The EMD @ 1% on Contract Value shall be collected, in the form of B.G./D.D. from the successful bidder at the time of concluding the agreement, instead of the prevailing 2.5% of contract value.

c) After receiving the EMD mentioned in (b) above from the successful bidder, the EMD collected in (a) above will be returned to the successful bidder at the time of concluding the Agreement.

d) In respect of the ongoing works/agreements, out of the EMD of 2.5 % on Contract Value collected in the form of B.G./D.D. at the time of agreement,1.5 % on Contract Value shall be returned in the same form as it was collected i.e., B.G./D.D. to the concerned agencies/contractors.

e) During intermediate bill payments, the Further Security Deposit (FSD) shall be collected @ 2% instead of the existing 7.5 % or any other specific percentage mentioned in the agreement, in form of cash on the value of work done from the agencies/ contractor's running account bill, & the FSD shall not be released in exchange of B.G.s.

f) The amount of FSD accumulated to 2% on Contract Value at the end of fnal bill & the 1% EMD in the form of B.G./Cash/DD will be returned to the agency/ contractor on the successful completion of the Defect Liability Period (DLP)/ maintenance period (+) 28 days' grace period from end of DLP /maintenance period (or) from the date of check measurement of the rectification plus 28 days of grace period in case the defect rectification is completed beyond the DLP / maintenance period.

5. The aforesaid relief shall be made applicable to all the existing agreements in force & the fresh agreements concluded till 31st December 2021 and such relief would continue to apply till the closure of the contract or till 31-03-2023, whichever is earlier.

6. The usual procedure of collecting the EMD @ 2.5% (1+1.5%), as per G.O.No.94, I&CAD Department, dated 1-7-2003 shall be restored w.e.f. 1-1-2022 for new works i.e., works for which agreements are concluded on or after 1-1- 2022.

7. The recovery of FSD @ 7.5% on the value of the work done or any other specific percentage mentioned in the agreement shall be restored for the works for which agreements are concluded on or after 1-1-2022.

8. The relief/s provided by this order shall not be made applicable to contracts which are under dispute or wherein arbitration/court proceedings have commenced or are contemplated. Agreements ordered to be closed on mutual consent basis can be given this relief. All the concerned D.D.O.s shall append a certificate to this effect while extending the relief measure/s & the P.A.O.s concerned shall ensure the same prior to releasing the balance EMD /FSD & any deviation will be viewed seriously.

9. The relief/s extended vide this order is subject to be revoked/modified, as & when found warranted by the Government.

10. The relief/s provided by this order are applicable to the L.S./E.P.C./E.A.P/etc., contracts entered into with agencies/contractors by all Departments, Public Sector Undertakings, Societies, Universities, Local Bodies and all other Institutions of the Government of Andhra Pradesh.

11. The Chief Executive Officer, A.P.C.F.S.S. shall make necessary changes in the CFMS software to facilitate the extending of the reliefs provided in this order.

12. A copy of this order is available in www.ap.gov.in/goir.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADSEH)

SHAMSHER SINGH RAWAT
PRINCIPAL SECRETARY TO GOVERNMENT

To
All the Departments of Secretariat.
All the Heads of the Departments.
The Engineer-in-Chief (AW/IW) & Chairman,BoCEs, The Water Resources Department.GoAP.
The Director of Works Accounts, A.P.
The Director of Treasuries, A.P. The Pay & Accounts Officer, A.P.
The Chief Executive Officer, APCFSS, Ibrahimpatnam
Copy to:
The Secretary to the Hon'ble Chief Minister
The OSD to Hon'ble Finance Minister.
The OSD to Chief Secretary.
The Private Secretary to the PFS, Finance Department.
The Private Secretary to Hon'ble Minister for Water Resources.
The Private Secretary to the Secretary to Government, WRD.
The Accountant General, A.P.
SF/SCs (1310278)

//FORWARDED::BY ORDER//

SECTION OFFICER